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SOURCE Hsing-tao Jih-pao.KWANGTUNG TO STABILIZE DISORDERED FINANCIAL SITUATION

Canton, 17 September -- Many irregularities have developed in the financial administration of Kwangtung Province. In addition to general confusion in the handling of financial affairs, conditions of greed, waste, and illegal practices persist. Since the promulgation on 26 August 1951 of the order to improve local financial administration, all levels of government have started to improve and many have been successful. However, the following irregularities were revealed by official sources.

Some authorities used local funds to make up deficiencies in Central People's Government disbursements. When deficits arose from unsystematic handling of such funds as office expenses, purchase and repair of public facilities, feeding of prisoners, air defense, telephone installation, suppression of counterrevolutionaries, and land reform, it became necessary to make up the deficits out of local funds. In Hu-shan Special District such juggling of funds amounted to 30 million yuan.

Expenses for land reform generally exceeded government funds allocated for this item. In Tung-chiang and Hu-shan Special Districts the number of land-reform cadres exceeded the number allowed in personnel rosters by more than 2,000. Some hsians exceeded the cadre personnel rosters by 100 to 200. In some places the expenses for cadre organization were included in the general expenses for land reform. Furthermore, the cost of installing communication equipment for the areas of land reform and the expense of conferences for the land-reform cadres were both very large. Tung-hu Special District called a conference for land-reform cadres at which 21 pigs were killed and there was much feasting and drinking. One bill for more than 100 million yuan and another for 30 million yuan still cannot be paid. The expenses for telephone installation in district, hsien, and higher offices had originally been provided by a special fund but a large part of the cost was still being paid from local funds. When the Tung-hu Special District took 3 billion yuan from local funds for this purpose, many districts, hsians, and smaller areas financed telephone installation in the same way.

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The chiefs of villages and the heads of farm organizations abused their authority and levied unofficial taxes. Recently T'ang-k'ou-ts'un in Tseng-ch'eng Hsien raised the agricultural tax 600 to 700 million yuan by levying on every 100 market catties of produce a 2-market-catty school tax, a 10-market-catty water conservancy tax, and a 5-market-catty tax for the Farmers Association, the Women's and Children's Association, and the People's Militia. Also, Pei-chiang levied more than 80 million yuan for road repair in unauthorized taxes through a commodity tax and a provisional commercial tax.

Many of the local areas have been late in reporting their proposed budgets to the Provincial Bureau of Finance. Local budgets for 1950 have only recently been reported in full and only half of the hsiens and municipalities have reported their budgets for the first and second quarters of 1951. Various districts and hsiangs have not set up budgets but spend money as they receive it and record it as they spend it.

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